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R 221230Z SEP 06
FM AMEMBASSY ASHGABAT
TO RUEHC/SECSTATE WASHDC 7823
INFO RUEHAK/AMEMBASSY ANKARA 2570
RUCNCIS/CIS COLLECTIVE
RUEHVEN/USMISSION USOSCE 1687
RUEHNO/USMISSION USNATO 1280
RUEHGV/USMISSION GENEVA 1205
RUCNDT/USMISSION USUN NEW YORK 0403
RUEHBS/USEU BRUSSELS
RHEHNSC/NSC WASHDC
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHINGTON DC//DHO-2/REA/NMJIC-J2//
RUEKJCS/JOINT STAFF WASHINGTON DC//J5/RUE//
RUEKJCS/SECDEF WASHDC
RHMFIUU/CDR USCENTCOM MACDILL AFB FL//CCJ2/HSE/CCJ5//

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SIPDIS

SENSITIVE, SIPDIS

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SUBJECT: Diminishing Chicken and Egg Stocks Put Pressure on
Turkmenistan's Social Contract

Ref: (A) Ashgabat 953

(B) Ashgabat 899

Summary

1. (SBU) In the wake of the legal case against the largest egg-producing farm in Turkmenistan and lingering prohibitions on imports due to avian influenza concerns, supplies of chicken and eggs have dramatically diminished in local markets. The subsequent increase in chicken and egg prices is putting strains on a key component of President Niyazov's social contract with Turkmenistan's people - cheap food prices. End Summary.

Where Have All the Eggs Gone?

2. (SBU) A September 15 survey of Ashgabat markets revealed scarce quantities of eggs, with prices up 25%. A vendor blamed the closure of the biggest egg-producing poultry farm "Shohrat" for the egg supply problems. (Note: The "Shohrat" private poultry farm used to be the biggest egg producer. The farm had 250,000 chickens and 560 hectares of land for wheat. In August, the Ministry of National Security initiated a legal case against the company, confiscated the property and jailed the owner (ref b). End note.) Two other local egg producing firms, Aksa and Omar Osman, slaughtered their birds last fall due to avian influenza concerns, and planned to restock using Iranian eggs. However, government bans have stymied their plans and subsequently they have ceased operations.

Taking Chicken off the Menu

3. (SBU) While the Ministry of Trade's Foreign Economic Relations chief Annamuhamed Weliev reported in August that the government still retained a ban on poultry imports, a State Veterinary Service (SVS) contact informed embassy September 15 that he was not aware of any official import ban. The SVS contact added that the "ban" was simply an instruction from Deputy Chairman and Minister of Health Gurbanguly Berdimuhamedov to the State Sanitary and Epidemiological Service, the state agency responsible for certifying food imports.

¶4. (SBU) Regardless of semantics, as of September 19, "Bush legs" were not available in Ashgabat. During a recent trip to northern Dashoguz province, embassy found a few "Bush legs" close to their expiration date on offer for 75,000 manat or \$3.20 per kilo. The only domestic chicken company, Altyn Hilal, is unable to meet demand. The company's owner Ahmet Charieyv told embassy September 19 that he has depleted his stocks and would need two months to resume his chicken supplies.

Comment

¶5. (SBU) The Ministry of Health imposed a poultry import ban in January. While the ban made sense during the first half of the year as the scope of any avian influenza threat was uncertain, the extension of the ban through the summer was not justifiable. The extension may have had the intended side effect of securing World Bank funding for Turkmenistan's national avian influenza plan.

¶6. (SBU) The interruption of chicken and egg supplies is now having an impact upon a key component of Turkmenistan President Saparmyrat Niyazov's social contract - cheap prices for food. In response, the government will need to either lift the import ban or support local producers. So far, the government has not responded. End Comment.

BRUSH